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C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 004971

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H PASS TO SENATORS DODD AND KERRY

E.O. 12958: DECL: 12/26/2016

TAGS: PREL PTER SY IR KWBG IS

SUBJECT: CODEL DODD AND KERRY'S MEETING WITH FOREIGN
MINISTER LIVNI

REF: TEL AVIV 4914

Classified By: Ambassador Richard H Jones, Reason 1.4 (b) (d)

¶1. (C) Summary. CODEL Dodd and Kerry discussed their visit to Syria, Israel's relations with the Palestinians, the rising power of Islamic radicalism, and the effect of sanctions on Iran during their December 21 meeting with Foreign Minister Livni. Livni stressed the GOI's reasons for rejecting engagement with Syria, arguing that an Israeli response to overtures from Bashar Asad would be misinterpreted by both the Syrians and the international community as a signal to end pressure on Syria. She became angry when Senator Kerry mentioned a question raised by Asad about negotiations over a prisoner exchange with the Palestinians, insisting that this was evidence of Asad's involvement in terrorism. Senator Kerry said Islamic extremists were winning the battle for the streets, and Senator Dodd criticized the lack of street credibility on the part of moderate Arab leaders. Livni commented that this may be the last opportunity for Israel to deal with the conflict with the Palestinians on national as opposed to religious terms, but expressed skepticism at the possibility of addressing final status issues with Abu Mazen. Livni said that after Israel's experience with the aftermath of withdrawal from Gaza, the Israeli public would only support further concessions if they were assured the result would be greater stability. She said stronger leadership was needed on the Palestinian side. Regarding Iran, Livni said Iran was sensitive to sanctions and international public opinion. She called for maintaining international resolve so that moderate Arabs did not start trying to appease Iran, as she asserted that Qatar was doing. End Summary.

No Response to Asad's Overtures

¶2. (C) CODEL Dodd and Kerry met with Foreign Minister Tzipi Livni at her Tel Aviv office December 21. Charge and Pol Couns accompanied the CODEL. Noting the CODEL's visit to Damascus and meeting with President Bashar Al-Asad, Senator Kerry commented that Asad's alliance with Iran was a matter of convenience, Asad had been pushed into Iran's arms by Syria's isolation. He assured Livni that he and Senator Dodd had no illusions about Syria and had raised Syrian facilitation of terrorist networks and financing in their Damascus meetings. The danger was that Islamist radicals were building alliances and strengthening each other. Livni said the Arab Quartet was intended to add weight to the moderates' position. She observed that Syria and Iran had common interests but not a common ideology. Syria was sending signals that it wanted to talk to Israel, but a positive Israeli response would be interpreted by the Syrians as a green light to do whatever they wanted in Lebanon.

¶3. (C) Senator Kerry asked whether Israel could say it would be willing to engage Syria on the Golan at an appropriate time, but not at the cost of concessions on Lebanon? Livni responded that Israel could lose merely by entering negotiations with Syria. Israel had nothing to do with Syria's interests in Lebanon, but opening negotiations would signal the international community that it was time to end the pressure on Syria. Senator Dodd noted that Assad had been most intransigent on Lebanon, but the CODEL had conveyed the U.S. consensus in support of Lebanon's sovereignty and independence. He added that Assad was concerned about Shia influence in Iraq, saying that he wanted Iraq to be an Arab state, not a Shia state. Livni said the best Israeli response to Syria was no response, while focusing on working with the Palestinians. She agreed with Senator Dodd that it had been unwise of Prime Minister Olmert to say that Israel could not negotiate with Syria because the U.S. did not want it to.

Asad Blocking Prisoner Exchange

¶4. (C) Livni commented that Syria and the Damascus-based Hamas leadership were blocking the release of Corporal Shalit in exchange for Palestinian prisoners. Senator Kerry noted that the CODEL had discussed this issue with Presidents Mubarak and Asad. Asad he said Hamas was ready to carry out the exchange but he was unclear who was responsible for the issue on the Israeli side. Growing visibly angry, Livni asked why this was Asad's business? Syria was not supposed to be involved in these negotiations other than to signal to Khalid Mashal that he should order the release of Corporal Shalit. Asad's raising this question was proof of his direct involvement, Livni declared. If Asad really wants peace he

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should not be so involved in terrorism.

End of Conflict Not Feasible

¶5. (C) Senator Kerry observed that he had never seen the Middle East as bad as it is now. The Islamists are working 24/7, and the moderates are losing the battle for the street. Senator Kerry said he had met with Abu Mazen when he was elected two years ago, and even then Abu Mazen had asked how he could disarm Hamas when his security forces had no equipment. Hamas has money coming in from Iran, Qatar and private Saudis; they are delivering services despite the Quartet boycott. Senator Kerry added that he thought the strategy was off-base, there was a need to turn the tables on the radicals. Livni agreed that the problem was getting worse. Although Iran used the Israeli-Palestinian conflict as an excuse for its threats, Israel had its own reasons for addressing the Palestinians since this may be the last chance to handle it as a national as opposed to a religious conflict.

¶6. (C) Livni said she had heard that Jordanian King Abdullah was talking about jumping to the third phase of the Roadmap. She observed that raised the question whether it would be possible to settle the conflict with Abu Mazen, adding that she thought that was not feasible at this time. Abu Mazen also thought he was not strong enough to address a final resolution. If Arafat could not do it, how could Abu Mazen? she asked rhetorically. Instead, what was needed was a process that would lead to a two-state solution. Since Hamas would not compromise on its ideology, a Palestinian National Unity Government was not in either Israel or the U.S.'s interest. Abu Mazen's call for early elections was risky, she said, since it could lead to another Hamas victory. The best approach was for Abu Mazen to maintain the separation between the Presidency and the PA government, while turning Fatah into a genuine alternative to Hamas. Fatah needed strong security support, but that was not enough, it had to be able to deliver something tangible before the elections.

Returning to her point about the Roadmap, Livni said that rather than jumping to final status, it was better for the Palestinians to renounce violence and focus on building a state within temporary borders. Israel preferred to deal with sovereign states that can take responsibility. Israel will also need international support for its position that a Palestinian state must be demilitarized. Abu Mazen was a "nice man," but the Palestinians needed real leadership.

Impact of Gaza Withdrawal

¶ 17. (C) Livni reviewed Israeli thinking at the time of the withdrawal from Gaza, noting that the GOI had wanted to send a signal of its seriousness by dismantling settlements and withdrawing the IDF so there would be unimpeded access from Gaza to Egypt by land. Hamas, however, had used the opportunity to use the Philadelphi Corridor to smuggle weapons, money and people into Gaza. The role of Egypt in stopping this smuggling was crucial, since the Israeli public blamed their government for the way Gaza withdrawal had turned out. Livni admitted that the unilateral nature of the Gaza withdrawal had meant that Abu Mazen did not receive credit for it with the Palestinians. Livni recalled that she had told 7,000 Israeli settlers in Gaza that they needed to leave their homes; she wanted to see similar leadership on the Palestinian side. Asked by Senator Kerry how Abu Mazen could resolve his dilemma, Livni said he needed to create a political alternative before holding elections. Israel was ready to deal with Salam Fayad on transferring tax revenues, but Livni was unsure of the precise mechanism. Asked how the Olmert government planned to handle the challenge from the Israel right, Livni replied that if Israel could promote a process that would bring stability and security, the GOI could convince the public to accept more concessions. She conceded that public opinion was moving to the right, but "the right has no ideas."

Sanctions on Iran

¶ 18. (C) Livni said there had to be an international consensus that the world could not afford to allow a nuclear-armed Iran. Livni stated that sanctions can succeed since Iran is sensitive to sanctions and cares about its international reputation. Livni said she was concerned about a domino effect from an Iran bomb, since key Arab states were already responding to the Iranian nuclear program with discussion of developing their own nuclear capabilities. There was an

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additional concern that if the Arabs sense continued hesitation by the international community, they may choose instead to appease Iran. Livni cited Qatar as already following the latter approach. Speaking before the UNSC's unanimous vote in favor of UNSCR 1737, Livni said there was an urgent need to bring Russia and China on board. International determination was crucial. Asked whether she thought Western rhetoric was inflated, Livni said actions spoke louder than words. The world should also do something about Ahmadinejad's rhetoric; this was not just a Jewish or Israeli issue. Senator Dodd agreed, noting that his father had been a prosecutor at Nuremberg.

¶ 19. (U) CODEL Dodd/Kerry has cleared this message.

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JONES